

1301 Pennsylvania Avenue, NW  
Suite 403  
Washington, DC 20004-1701  
USA

Telephone 202 628 8421  
Fax 202 628 8424  
E-mail:oitp@alawash.org

Office for Information  
Technology Policy

EX PARTE OR LATE FILED

DOCKET FILE COPY ORIGINAL

# ALA American Library Association

April 21, 1997

Mr. William F. Caton  
Acting Secretary  
Federal Communications Commission  
1919 M Street, NW Room 222  
Washington, DC 20554

RECEIVED

APR 23 1997

Federal Communications Commission  
Office of General Counsel


Re: Ex Parte Presentation  
CC Docket No: 96-45, Federal-State Joint Board on Universal Service

Dear Mr. Caton:

On Monday, April 21, the American Library Association sent the attached letter and filings to James Colthorp of Commissioner Quello's staff.

If you have any questions concerning this filing, please call me at 202/628 8421.

Sincerely,

  
Andrew Magpantay  
Director  
Office for Information Technology Policy  
American Library Association

Enclosure

No. of Copies rec'd \_\_\_\_\_  
List ABCDE \_\_\_\_\_

021

1301 Pennsylvania Avenue, NW  
Suite 403  
Washington, DC 20004-1701  
USA

Telephone 202 628 8421  
Fax 202 628 8424  
E-mail:oitp@alawash.org

Office for Information  
Technology Policy

# American Library Association

April 21, 1997

Mr. James Colthrop  
Office of Commissioner Quello  
Federal Communications Commission  
1919 M St., NW  
Washington, DC 20554

RECEIVED  
APR 23 1997  
Federal Communications Commission  
Office of Secretary

Dear Mr. Colthrop,

I'd like to take this opportunity to thank you for taking the time to meet with members of the Education and Libraries Networks Coalition last Wednesday. Your support for the Recommendations of the Joint Board will help to ensure that all schools and libraries can connect to the Internet and other digital information tools.

During the meeting you had mentioned your concern about the administration of the fund. I have attached three of the American Library Association's recent ex parte filings on this subject. I am also attaching a white paper that EdLiNC filed that deals with some of the administrative issues. If you have any questions on these filings or any other aspect of our position on the Universal Service issue, please feel free to contact me at 202/628 8421.



J. Andrew Magpantay

Director  
Office for Information Technology Policy  
American Library Association

Enclosure

1301 Pennsylvania Avenue, NW  
Suite 403  
Washington, DC 20004-1701  
USA

Telephone: 202/628-8410  
Fax: 202/628-8419  
E-mail: alawash@ala.wash.org  
http://www.alawash.org

Washington Office

# ALA American Library Association

March 17, 1997

Mark Nadel  
Federal Communications Commission  
1919 M Street, NW  
Washington, DC 20554

Re: Ex Parte Presentation  
CC Docket No: 96-45, Federal-State Joint Board on Universal Service

Dear Mr. Nadel

The American Library Association (ALA) respectfully submits the attached ex parte comments on the Recommended Decision adopted on November 7, 1996 by the Federal-State Joint Board on Universal Service to further clarify and elaborate on its comments and ex partes and those of others filed in this docket. Specifically, ALA wishes to address three issues in this ex parte:

- 1) The self-certification of eligibility for discounts.
- 2) Library eligibility.
- 3) Determination of the level of low income discounts for libraries.

The American Library Association, founded in 1876, is the oldest and largest library association in the world. Its concerns span all types of libraries: state, public, school, academic, and special libraries. With a membership of more than 57,000 librarians, library trustees, library educators, friends of libraries, and other interested persons from every state, ALA is the chief advocate for the people of the United States in their search for the highest quality of library and information services. ALA has been an active participant in this proceeding, filing in all five rounds of public comments during and subsequent to the Joint Board's deliberations.

Respectfully submitted,  
AMERICAN LIBRARY ASSOCIATION

By: Carol C. Henderson  
Carol C. Henderson

Executive Director, ALA Washington Office  
1301 Pennsylvania Avenue, NW Suite 403  
Washington, DC 20004  
202/628-8410

CC: Mr. William F. Caton, Acting Secretary  
Federal Communications Commission

FEDERAL COMMUNICATIONS  
COMMISSION  
MAR 17 1997

## INTRODUCTION

The American Library Association (ALA) respectfully submits the attached ex parte comments on the Recommended Decision adopted on November 7, 1996 by the Federal-State Joint Board on Universal Service to further clarify and elaborate on its comments and ex partes and those of others filed in this docket. Specifically, ALA wishes to address three issues in this ex parte:

- 1) The self-certification of eligibility for discounts.
- 2) Library eligibility.
- 3) Determination of the level of low income discounts for libraries.

## SELF-CERTIFICATION

ALA wishes to submit a modified version of the self-certification form that EdLiNC representatives submitted in its ex parte discussion with the FCC staff on February 25, 1996. (Attachment 1) ALA believes that this form provides better clarification for applicants and other interested parties on eligibility criteria for the discounts while keeping the form simple and unburdensome to applicants. Discounts on basic or core services should not require self-certification of elaborate technology plans.

In particular, paragraph 1 more explicitly lays out the eligibility requirements as stated in Section 254(h)(4) and 254(h)(5) of the Telecommunications Act of 1996 (the Act). Paragraph 2, allows for eligible institutions to self-certify the level of discount they are eligible for based on tables to be provided in the final rule on this docket and that would need to be made publicly available through the fund administrator. ALA expects that such a table would be similar to that recommended by the Joint Board in paragraph 555 of its Recommended Decision of November 7, 1996 and the one submitted by ALA in its Reply Comments of January 10, 1997.

ALA notes that **nothing in Section 254(h)(4) or 254(h)(5) of the Act requires that an institution have a plan for securing access to supporting technologies in order to be an institution eligible for discounts.** The language in Section (254)(h)(4) and 254(h)(5) specifies only that the institution be an eligible non-profit institution, and, if a library, is eligible for assistance from a State library administrative agency under the Library Services and Technology Act, or if an elementary or secondary school, has an endowment of \$50,000,000 or less and is an elementary or secondary school as defined in paragraphs (14) and (25), respectively, of section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801) as amended in Public Law 103-382, October 20, 1994.

Nonetheless, all the elements in paragraph 3 of the attached draft self-certification do correspond to the elements listed in paragraphs 601-604 of the Joint Board Recommended Decision, including self-certification that the eligible institution has, as stated in paragraph 601, "done their homework." Furthermore, in this revision, element 2 of paragraph 3 has been expanded to allow for the self-certification of the existence of a technology plan that may be part of a state plan, consortia, or other legal arrangement, or to allow an applicant to actually submit a copy of the plan as part of the self-certification. ALA feels that an applicant who self-certifies to **any one of the elements** in ALA's proposed draft self-certification form has met the requirements of certifying that they have "done their homework" as set forth in paragraph 601 of the Joint Board Recommended Decision.

Furthermore, ALA recommends that if the FCC does go beyond the eligibility requirements stated in Section (254)(h)(4) and 254(h)(5) and requires self-certification of the existence of a technology plan, that the FCC be very explicit in stating that such self-certification does not require the review or approval of the technology plan by the FCC, the fund administrator, or any other entity. No other entity should be involved in specifying the nature of educational or library technology plans that have been or are already being developed for other federal, state, or local programs. **Such review or approval would constitute an unwarranted intrusion into the local administration of libraries and schools.**

## **LIBRARY ELIGIBILITY**

There are approximately 16,000 public library facilities in the U.S., 4,700 academic libraries, and approximately 10,282 special libraries excluding public, academic, armed forces, and government libraries. Section 254(h)(4) of the Telecommunications Act of 1996 states, as amended, that "No entity listed in this subsection shall be entitled to preferential rates or treatments as required by this subsection, if such entity operates as a for-profit business...or is a library not eligible for participation in State-based plans for funds under the Library Services and Technology Act (LSTA)."

LSTA is intended, among other things, to promote resource sharing among libraries in order to make more materials and information available to the public. In ALA's Comments on the Questions on Public Notice of November 18, 1996 in this docket, page 12, ALA notes that in section 212 of the Library Services and Technology Act (LSTA), PL 104-208, it is explicitly stated that the purpose of LSTA is to "promote access to learning and information resources in all types of libraries **for individuals of all ages**"; "promote library services that provide **all users access to information** through

State, regional, national and international electronic networks"; and "promote targeted library services to **people of diverse geographic, cultural, and socioeconomic backgrounds, to individuals with disabilities, and to people with limited functional literacy or information skills**" (emphasis added).

In other words, the purpose of LSTA is to maximize information access to the public. This purpose is identical to what was stated in the conference report on Section 254 of the Act: "The ability of K-12 classrooms, libraries and rural health care providers to obtain access to advanced telecommunications services is critical to ensuring that these services are available on a universal basis."<sup>1</sup>

LSTA provides for resource sharing among libraries so that information, that might normally only be available to certain segments of the public, is available to the entire public. For example, in ALA's Reply Comments of May 7, 1996, we cited the example of how in Cairo, Georgia, orchard owners check weather conditions, fruit and vegetable prices, and search for new markets on the Internet by accessing a University of Georgia database, GALILEO, through their local public library.<sup>2</sup> Without this resource sharing arrangement, access to GALILEO would be restricted to the University of Georgia community.

**ALA therefore recommends that, consistent with section 254(h)(4) of the Act, any library that is not operating in or as a for-profit business, and is a library or library consortium eligible for assistance from a State library administrative agency under the Library Services and Technology Act, be eligible for discounted rates.** Consistent with its authority to administer LSTA, the state library agency would be responsible for verifying that any non-profit, non-public library applying for a discount was qualified for such discount as part of the state's LSTA plan.

ALA recognizes that eligible non-profit, non-public libraries included in state plans under LSTA have less well-defined service areas than their public library counterparts. Furthermore, it may be difficult or too complex to ascertain what proportion of an eligible non-profit, non-public library's telecommunications services is being used for LSTA purposes. **For this reason, ALA proposes that, once high cost**

---

<sup>1</sup>H.R. CONF. REP. NO. 458, 104th Cong., 2d Sess. 134 (1996)

<sup>2</sup> ALA Reply Comments, May 7, 1996 at 11.

**adjustments have been made<sup>3</sup> a flat-rate 20% discount for eligible non-profit, non-public libraries be made.** Eligible higher education libraries which fall into this category and which are serving particular categories of users such as Indian reservations, historically black colleges and universities, etc. that are defined in the Higher Education Act could receive an additional flat rate discount beyond 20%, say 40% or even 60%.

## **LOW INCOME DISCOUNTS FOR LIBRARIES**

In its comments and reply comments on the Recommended Decision adopted on November 7, 1996 by the Federal-State Joint Board on Universal Service, ALA has noted that a formula based on free or reduced cost school lunch program eligibility may not be appropriate for most libraries. Libraries should have an option that appropriately reflects the relative income level of the population served by the institution, and that can be easily applied and verified. ALA also noted that the Library Services and Technology Act, the reference in the Telecommunications Act for library eligibility, makes use of a poverty factor based on data derived from the U.S. Census Bureau.

The Education and Library Networks Coalition (EdLiNC), in its comments on the Joint Board recommendations, also noted that the poverty factor included in LSTA would be less burdensome and may provide a more accurate proxy for calculating low income discounts.

For the vast majority of public library systems, service areas correspond to county, city, town, township, or other local government unit boundaries. U.S. census poverty data is easily available for areas congruent with local government units. Most counties, cities, and states have economic development agencies that already have this information at hand, as many federal, state, and other grant programs rely on this data. This is readily available public information.

The state library agency that administers the Library Services and Technology Act could easily provide or verify the poverty data for any particular public library in the state. For instance, the Library of Michigan would work with the Michigan Information Center to obtain current official maps of a library's legal service area showing the income level of each census tract or other specific geographic unit as directed by the FCC. This map could form the basis for the certification of the proper low-income level discount for each library. The Missouri State Library has Census-based poverty data for every public library easily available as a result of implementing a recent legislatively mandated equalization formula.

---

<sup>3</sup> See ALA Reply Comments, January 10, 1997 at 2-3, ALA Comments, December 19, 1997 at 5-9

Therefore, ALA recommends that any public library seeking discounted rates self-certify the level of discount they are eligible for by providing ONE of the following measures for economic need:

- 1) poverty data based on the U.S. Census figures applicable to its service area, with a published or electronically available source cited, OR
- 2) poverty data for its service area as provided by the state library agency, with a published or electronically available source cited, OR
- 3) the participation rate in the national school lunch program for the school district with a comparable service area.

The low-income discount would therefore be determined based on the level of economic need, as determined by either local poverty data or local participation in the national school lunch program, matched against tables indexed to various discount rates provided by the FCC. ALA has provided data in its Reply Comments of January 10, 1997 on how such a table can be established based on poverty rates within a given service area of a public library. (Attachment 2) This ex parte also presents corrections to typographical errors made in Column E of Table 2 in the January 10, 1997 filing. This sample table was designed to match the distribution of discounts set up in the Joint Board Recommendation using school lunch program data.



**Attachment 1**  
**Draft Self Certification**

The applicant(s) listed below hereby certifies that as defined in Section 254(h)(4) of the Telecommunications Act of 1996, it is an eligible non-profit institution (or combination of such), and, if a library, is eligible for assistance from a State library administrative agency under the Library Services and Technology Act, PL 104-208, or if an elementary or secondary school, has an endowment of \$50,000,000 or less and, as is stated in Section 254(h)(5), is an elementary or secondary school as defined in paragraphs (14) and (25), respectively, of section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801) as amended in Public Law 103-382, October 20, 1994.

The above named applicant(s) further certifies that it is eligible for a \_\_\_\_% discount off of the attached requested telecommunications services based on Table \_\_\_\_ provided by the Federal Communications Commission under Section 254 of the 1996 Telecommunications Act.

Furthermore the above named applicant(s) certifies its eligibility by having:

- 1) Submitted its request(s) for services to the federal universal service fund administrator for electronic posting.<sup>1</sup>
- 2) Confirmed that its request(s) for services is in at least partial implementation of one of the following:<sup>2</sup>
  - a) the state education or state library agency technology plan or component of a state education or state library agency plan; or
  - b) a technology plan of an appropriate education, library, or regional legal entity of which the applicant is a member; or
  - c) a technology plan on file with the applicant(s) and approved by its governing body or equivalent on \_\_\_\_\_(date), or attached as part of this self-certification.
- 3) Certified in its submitted request for services that the applicant(s) is eligible under section 254(h)(4) and 254(h)(5) of the 1996 Telecommunications Act; that such requested services will be used solely for educational purposes; that such services

---

<sup>1</sup> See Joint Board Recommended Decision, Paragraph 602

<sup>2</sup>See Joint Board Recommended Decision, Paragraph 601

will be sold, resold or transferred only for educational purposes and only for the purpose of transferring a discounted service from a consortia agent to an eligible member of the consortia; that such permitted sale, resale, or transfer shall be on a cost-recovery basis; and if the services are being purchased as part of an aggregated purchase with other entities, that a list of the identities of all co-purchasers and the portion of the services being purchased by the applicant(s) has been submitted.<sup>3</sup>

- 4) Records that it will maintain for inspection and audit by the fund administrator that support both the percentage discount requested and compliance with items 1-3 above.<sup>4</sup>

Signed this \_\_\_\_ day of \_\_\_\_\_,

By \_\_\_\_\_ as an authorized fiscal agent of [applicant(s) name]

Name,

Title

Address

Phone Number

Fax

E-mail

---

<sup>3</sup> See Joint Board Recommended Decision, Paragraph 603, and EDLINC Comments of 12/17/96, II.D. Prohibition on Resale

<sup>4</sup> See Joint Board Recommended Decision, Paragraph 604

**Attachment 2**  
**Sample Tables for Library Low Income Discount**

ALA has taken a sample of library outlets, which may be a main or branch library facility, from the most recently available National Center for Education Statistics (NCES) data which reflects public library data for 1993. Table 1 shows the sample size and the percentage of library outlets falling inside and outside metropolitan areas.

**Table 1**

	Total Number	Percentage
Number of Library Outlets in Sample	500	100.00%
Library Outlets in Metropolitan Areas	239	47.80%
Library Outlets in Non-Metropolitan Areas	261	52.20%

Table 2 shows how this sample was matched against 1990 U.S. Census poverty data. Column A shows the percentage of poverty residents within a 1-mile radius of library outlet. This 1-mile radius serves as an approximation for a library outlet's service area. Column B shows the percentage of the sample in each category. The break points for Column A were specifically designed to approximate the distributions of schools in the chart referred to in the Recommended Decision in paragraph 555. Column C represents the percent discount category corresponding to each poverty range. Columns D and E represent the number of library outlets in metropolitan and non-metropolitan areas respectively, for each of these poverty ranges.

**Table 2**  
**Percentage Poverty Within 1-Mile Radius of Library Outlet**

	A	B	C	D	E
	Percentage of Poverty Residents Within 1 Miles Radius of Library Outlet	Percentage of Library Outlets from Sample in Each Poverty Category	Percentage Discount Category	Percentage of Sampled Library Outlets in Metropolitan Areas in Each Poverty Category	Percentage of Sampled Library Outlet in Non-Metropolitan Areas in Each Product Category
1	0-3%	3.00%	20	7.53%	1.15%
2	3-9%	30.70%	40	37.66%	22.99%
3	9-13%	19.00%	50	17.57%	22.22%
4	13-16%	15.00%	60	8.79%	18.39%
5	16-22%	16.00%	80	10.46%	20.69%
6	22-100%	16.30%	90	17.99%	14.56%
7	Total Percent	100.00%		100.00%	100.00%

Using this or a similarly constructed table as the index, libraries would self-certify the poverty level within their service area in order to receive the corresponding discount in Column C. For example, if a library system self-certified that within its service area, 15% of its residents were poverty residents, the library system would qualify for a 60% discount. If another library system self-certified that within its service area 7% of its residents were poverty residents, that library would qualify for a 40% discount.

# ALA American Library Association

March 27, 1997

Ms Irene Flannery  
Federal Communications Commission  
2100 M. Street  
Washington, DC 20554

FEDERAL COMMUNICATIONS  
COMMISSION  
OFFICE OF SECRETARY

MAR 28 '97

RECEIVED

Re: Ex Parte Presentation  
CC Docket No: 96-45, Federal-State Joint Board on Universal Service

Dear Ms. Flannery:

In response to our conversation last week regarding the low-income factor for public library discounts, I have some additional information that I believe you should consider in allowing libraries the option of using residential poverty data.

Kendall Wiggin, the New Hampshire State Librarian reports that his state does not keep school lunch statistics by town, but by school, and that there are many towns that have libraries but do not have schools. (These towns send their children to schools in other localities outside the town.) If school lunch is the **only** way to determine low-income discounts for these libraries which other town's school lunch statistics should be used? Some examples of these communities include:

Dummer, NH which sends its children to Milan Village for grades 1-6 and Berlin for grades 7-12.

Easton, NH sends its children to Lafayette Regional for kindergarten through 6th grade and Profile for grades 7-12.

Acworth, NH supports grades 1-4 but sends its children to Walpole for grades 5-8 and Langdon for grades 9-12.

Each of these towns, except for Langdon, has a library. Incidentally, we were able to call the New Hampshire State Librarian and immediately got poverty rates for Dummer, Easton, and Acworth (6.3%, 5.6%, and 7.8% respectively).

A similar situation occurs in Illinois. There the state librarian reports that many Illinois public libraries serve more than one school district. Again, if you restrict library self-certification of the low income discount to school lunch, you will need to provide guidance as to which school district a library should choose in order to arrive at an appropriate discount. In our Reply Comments of January 10, 1997 and our ex parte communication of March 17, 1997 we included information matching a sample of public library facilities with their residential poverty levels. We are currently looking into doing such an analysis for all public library facilities. **ALA maintains that it would be far easier and less burdensome on the libraries -- and on the rules you would need to write -- to simply allow libraries the option of self-certifying the degree of residential poverty in their service area based on the most current U.S. Census data available.**

As we have stated in prior filings, poverty rates better relate to the communities libraries serve. School lunch eligibility counts families with children in school and does not reflect families or households in poverty which do not have school age children. Even where school districts and library service areas are roughly similar, the use of school lunch to determine the low income discount could deprive libraries of the full discount to which they were entitled. In Adair County, Missouri for example, 42% of their children are eligible for school lunch, 23.8% of the residents are in poverty. In the ALA filings of January 10 and March 17 ALA provided discount tables based on a sample of residential poverty information matched to public library facilities. The distribution in ALA's table matches the distribution of discounts in the Joint Board Recommendation. Using the Adair County data against these tables, the Adair County Public Library would receive a 65% discount under school lunch and a 90% discount using the residential poverty measure assuming that high cost was not a factor in the area. For Kansas City with a 22.4% poverty rate and 72.77% school lunch participation, the library discount would be 90% under a poverty level measure, 80% under school lunch; for Knox County with a 22.7% poverty rate and 45.06% school lunch participation, the discount would be 90% under our poverty level table, 65% under school lunch; for Putnam County with 19.9% poverty rate and 38.55% school lunch participation the discounts would be 80% under our poverty level table, 65% under school lunch.

It is important to reiterate that the ALA sample table does have the same distribution of discounts as the Joint Board Recommendation and that the Missouri data was received subsequent to the construction of the sample table. Undoubtedly, there will be public libraries for whom school lunch eligibility will be a sufficient measure for calculating the appropriate discount rate. However, as noted above, **restricting library self-certification of the discount only to school lunch eligibility poses problems for libraries whose service areas do not encompass a school, serve multiple schools, or for whom the use of a school lunch measure would result in serious discrepancies in the discount received.** For these reasons, ALA again urges the FCC to allow libraries the option of self-certifying its low-income discount based on the most current residential poverty level available.

March 27, 1997  
ALA 96-45 Page 3

Please feel free to contact me, Andrew Magpantay, or Lynne Bradley if you have any questions.

Sincerely,

A handwritten signature in cursive script that reads "Carol Henderson". The signature is written in dark ink and is positioned above the printed name and title.

Carol Henderson  
Executive Director  
Washington Office  
American Library Association

CC: Mr. William F. Caton

1301 Pennsylvania Avenue, NW  
Suite 403  
Washington, DC 20004-1701  
USA

Telephone 202 628 8421  
Fax 202 628 8424  
E-mail:oitp@alawash.org

Office for Information  
Technology Policy

# ALA American Library Association

April 4, 1997

Irene M. Flannery  
Attorney  
Federal Communications Commission  
2100 M Street, NW  
8th Floor  
Washington, DC 20554

FEDERAL COMMUNICATIONS  
COMMISSION  
OFFICE OF ATTORNEY  
GENERAL

RECEIVED  
APR 4 '97

Re: Ex Parte Presentation  
CC Docket No: 96-45, Federal-State Joint Board on Universal Service

Dear Ms. Flannery:

Below is the information you requested regarding calculation of poverty levels for library outlets. The ALA *ex partes* of January 10, 1997 and March 17, 1997 demonstrated how tables for library universal service discounts could be constructed. The tables were based on a random sample of 500 library outlets.

Three source files were used to construct these tables:

- 1) Data on the location of public library outlets from the Department of Education, National Center for Education Statistics (NCES). This data is collected every year from state library agencies who have agreed on the data to be collected and what the data represents. NCES 1994 Public Release Files data, the latest year for which data was available were used. The sample chosen was a random sample of library outlets, from the outlet file. The complete file can be found at the NCES Web site at [gopher://gopher.ed.gov:10000/11/data/library/public/library94](http://gopher://gopher.ed.gov:10000/11/data/library/public/library94). The elements used in the ALA analysis included the library's unique identifier code, location address and zip code information, and the name of the library.
- 2) The second file used was the U.S. Census 1990 Summary Tape File 3A. This file contains 1989 data on the total number of people within each census tract as well as the number of people at or below the poverty level within that tract.



- 3) Finally, a digital map of all the census tracts within the United States was built from U.S. Bureau of the Census TIGER files. The unique identifier for each census tract from the TIGER files was then linked to the corresponding census tract identifier (and the data associated with that census tract) from the Summary Tape File 3A. The net result is a digital map showing by census tract the number of people in poverty throughout all regions of the U.S.

Analysis was performed by the Institute of Science and Public Affairs at the Florida Resources and Environmental Analysis Center using Caliper Corporation's Maptitude Geographic Information System (GIS) software. The street address and zip code information data for each library was sent to Qualitative Marketing Software of Clearwater, Florida for geocoding. Qualitative Marketing Software took the street address or zip code data and came up with the most accurate longitude and latitude for each library outlet in our sample. This geocoded information was incorporated into Maptitude to generate a one mile radius circle around each library outlet in the sample. Using Maptitude each one-mile radius circle was overlaid on top of the digital map depicting poverty distribution throughout the U.S. by census tracts.

Mapitude was then used to sum up the number of people within each circle as well as the number of people at or below poverty level within each circle. If partial tracts were included within the circle, Maptitude weighted those tracts appropriately in its calculations. This provided a set of data listing the total number of residents and the total number of residents living at or below the poverty level within a one-mile radius of each library outlet in the sample by metropolitan status code as well as urban versus rural location.

This data was then exported to a Microsoft Excel spreadsheet to calculate the number of outlets that had given levels of poverty within a 1-mile radius of their geographic location. The library universal service discount tables submitted by ALA in its January 10, 1997 and March 17, 1997 *ex partes* were designed to follow the equitable distribution of universal discounts called for in the Joint Board Recommendation at paragraph 555. Following the distribution of universal service discounts in the matrix in paragraph 555 of the Joint Board Recommendation should obviate the need for recalculating residential poverty data to set up library universal service discount distributions based on residents within 185% of the poverty level as has been suggested by some respondents.

According to the Economics and Statistics Administration, U.S. Department of Commerce, a poverty area is defined as a "census tracts or block numbering areas (BNA's) where at least 20 percent of residents were poor in 1989" and an "extreme poverty area" is an area where "40 percent or more of residents were poor."<sup>1</sup>

---

<sup>1</sup>Census tracts are small, statistical subdivisions of a county (or statistically equivalent entity). They usually have between 2,500 and 8,000 residents and do not cross county boundaries. (Emphasis added). All metropolitan counties are subdivided into census tracts. BNA's are subdivisions of the many non metropolitan counties where local census committees have not established census tracts. BNA's are comparable to census tracts in population. These definitions, as well as the ones for poverty area and extreme poverty area were taken from U.S. Census Bureau, Office of Statistics, Statistical Brief, Poverty Areas, revised, September 23, 1996 which can be

I have included a list and graph of the distribution of all libraries in our sample based on residential poverty level (Attachments 1 and 2, respectively) along with our library universal service discount tables from our March 17, 1997 *ex parte* which was based on this sample (Attachment 3).

ALA has discussed with the Institute of Science and Public Affairs the feasibility of running a similar analysis for all 15,904 stationary public library outlets and has begun the process of running this analysis which is expected to be completed by the end of May 1997. ALA will make this information available to libraries and the fund administrator when the analysis is completed.

Please feel free to contact me if you have questions about any of this material.

Sincerely,



J. Andrew Magpantay

Director

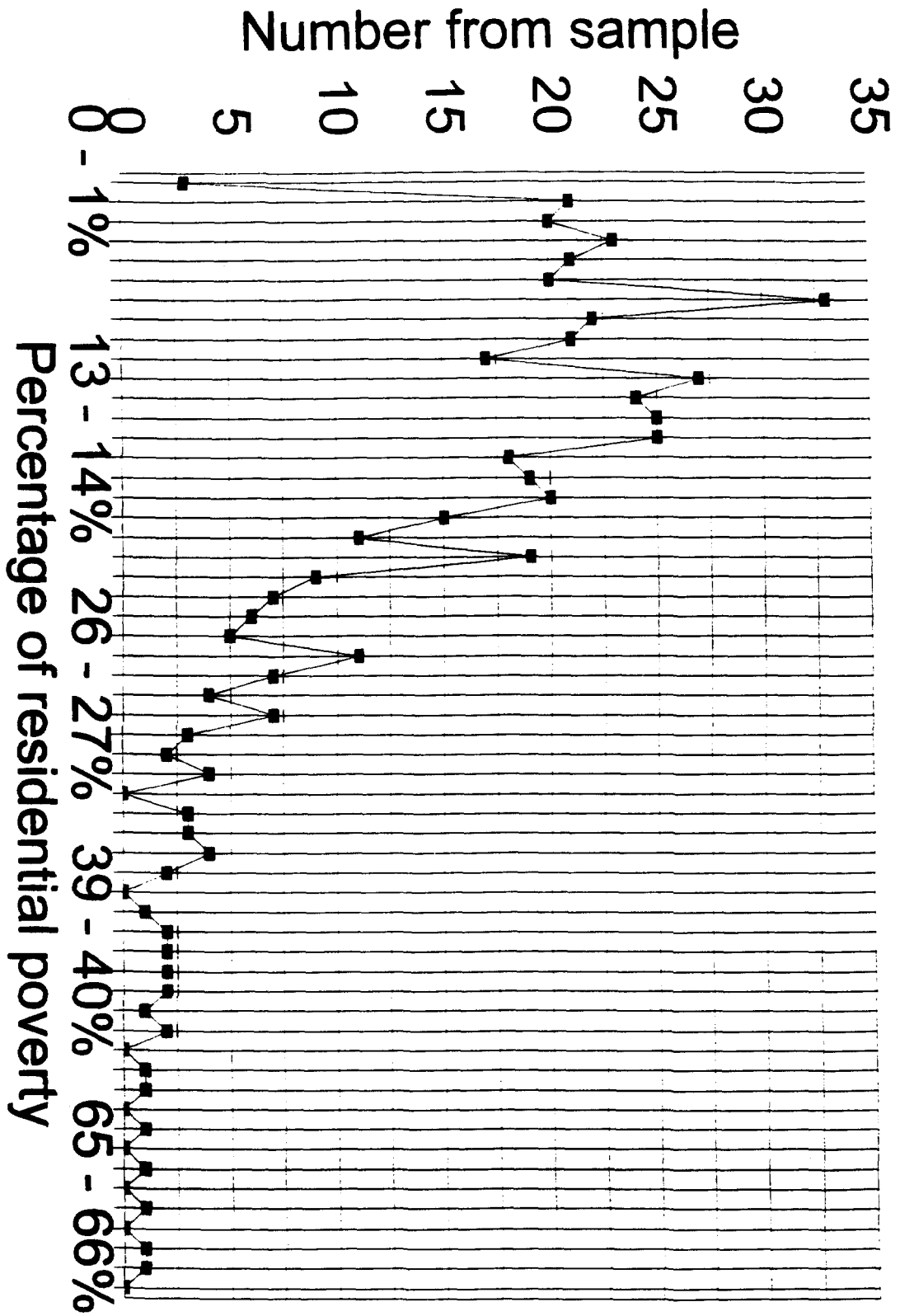
Office for Information Technology Policy  
American Library Association

CC: William Caton  
Acting Secretary  
Federal Communications Commission

Table 1 - Library Outlet Sample Distribution by Percentage of Poverty

1	2	3
Percentage of poverty within a 1-mile radius of library outlet	Number of library outlets in sample	Percentage of library outlet sample
0 - 1%	3	0.60%
1 - 2%	21	4.20%
2 - 3%	20	4.00%
3 - 4%	23	4.60%
4 - 5%	21	4.20%
5 - 6%	20	4.00%
6 - 7%	33	6.60%
7 - 8%	22	4.40%
8 - 9%	21	4.20%
9 - 10%	17	3.40%
10 - 11%	27	5.40%
11 - 12%	24	4.80%
12 - 13%	25	5.00%
13 - 14%	25	5.00%
14 - 15%	18	3.60%
15 - 16%	19	3.80%
16 - 17%	20	4.00%
17 - 18%	15	3.00%
18 - 19%	11	2.20%
19 - 20%	19	3.80%
20 - 21%	9	1.80%
21 - 22%	7	1.40%
22 - 23%	6	1.20%
23 - 24%	5	1.00%
24 - 25%	11	2.20%
25 - 26%	7	1.40%
26 - 27%	4	0.80%
27 - 28%	7	1.40%
28 - 29%	3	0.60%
29 - 30%	2	0.40%
30 - 31%	4	0.80%
31 - 32%	0	0.00%
32 - 33%	3	0.60%
33 - 34%	3	0.60%
34 - 35%	4	0.80%
35 - 36%	2	0.40%
36 - 37%	0	0.00%
37 - 38%	1	0.20%
38 - 39%	2	0.40%
39 - 40%	2	0.40%
40 - 41%	2	0.40%
41 - 42%	2	0.40%
42 - 43%	1	0.20%
43 - 44%	2	0.40%
44 - 46%	0	0.00%
46 - 47%	1	0.20%
47 - 48%	1	0.20%
48 - 51%	0	0.00%
51 - 52%	1	0.20%
52 - 63%	0	0.00%
63 - 64%	1	0.20%
64 - 65%	0	0.00%
65 - 66%	1	0.20%
66 - 76%	0	0.00%
76 - 77%	1	0.20%
77 - 78%	1	0.20%
78 - 100%	0	0.00%
Total	500	100.00%

# Distribution of sample library outlets



### Sample Tables for Library Low Income Discount

ALA has taken a sample of library outlets, which may be a main or branch library facility, from the most recently available National Center for Education Statistics (NCES) data which reflects public library data for 1993. Table 1 shows the sample size and the percentage of library outlets falling inside and outside metropolitan areas.

**Table 1**

	Total Number	Percentage
Number of Library Outlets in Sample	500	100.00%
Library Outlets in Metropolitan Areas	239	47.80%
Library Outlets in Non-Metropolitan Areas	261	52.20%

Table 2 shows how this sample was matched against 1990 U.S. Census poverty data. Column A shows the percentage of poverty residents within a 1-mile radius of library outlet. This 1-mile radius serves as an approximation for a library outlet's service area. Column B shows the percentage of the sample in each category. The break points for Column A were specifically designed to approximate the distributions of schools in the chart referred to in the Recommended Decision in paragraph 555. Column C represents the percent discount category corresponding to each poverty range. Columns D and E represent the number of library outlets in metropolitan and non-metropolitan areas respectively, for each of these poverty ranges.

**Table 2**

#### Percentage Poverty Within 1-Mile Radius of Library Outlet

	A	B	C	D	E
	Percentage of Poverty Residents Within 1 Miles Radius of Library Outlet	Percentage of Library Outlets from Sample in Each Poverty Category	Percentage Discount Category	Percentage of Sampled Library Outlets in Metropolitan Areas in Each Poverty Category	Percentage of Sampled Library Outlet in Non-Metropolitan Areas in Each Product Category
1	0-3%	3.00%	20	7.53%	1.15%
2	3-9%	30.70%	40	37.66%	22.99%
3	9-13%	19.00%	50	17.57%	22.22%
4	13-16%	15.00%	60	8.79%	18.39%
5	16-22%	16.00%	80	10.46%	20.69%
6	22-100%	16.30%	90	17.99%	14.56%
7	Total Percent	100.00%		100.00%	100.00%

Using this or a similarly constructed table as the index, libraries would self-certify the poverty level within their service area in order to receive the corresponding discount in Column C. For example, if a library system self-certified that within its service area, 15% of its residents were poverty residents, the library system would qualify for a 60% discount. If another library system self-certified that within its service area 7% of its residents were poverty residents, that library would qualify for a 40% discount.

# **Working Paper**

## **Implementing Universal Service for Schools and Libraries**

As the Federal Communications Commission works to make its final ruling on the implementation of Universal Service for schools and libraries under the Telecommunications Act of 1996, a few issues need to be addressed for schools and libraries to fully participate. This working paper is offered as a recommendation for some outstanding issues such as the application process, technical assistance, auditing procedure, and program accountability.

### **Application Process**

The act of submitting a bona fide request for discounted services can be carried out by the applicant in the following manner. The likely applicants for the educational discount include: school districts, non-public schools, libraries, consortiums made up of any or all of the above mentioned applicants, and/or a state agency or consortium of state agencies applying on behalf of any or all of the above mentioned applicants. Allowing schools and libraries to aggregate their purchases in consortia as described is consistent with the Joint Board Recommendation at 596 which affirmed the benefits of permitting schools and libraries to join in consortia with other customers in their community.

We concur with the Joint Board that this process should be easy-to-administer and non-bureaucratic. A simple bona fide request form that indicates the entities request for proposals, whether the applicant has service contracts in place, and the level of discount sought would be submitted to the federal Fund Administrator. Applicants would also be able to certify that they have a plan in place that is commensurate with the level of technology they are seeking.

EdLiNC notes that nothing in Section 254(h)(4) or 254(h)(5) of the Act requires that an institution have a plan for securing access to supporting technologies in order to be an institution eligible for discounts. The language in Section (254)(h)(4) and 254(h)(5) specifies only that the institution be an eligible non-profit institution, and, if a library, is eligible for assistance from a State library administrative agency under the Library Services and Technology Act, or if an elementary or secondary school, has an endowment of \$50,000,000 or less and is an elementary or secondary school as defined in paragraphs (14) and (25), respectively, of section 14101 of the Elementary and Secondary Education Act of 1965 (20 U.S.C. 8801) as amended in Public Law 103-382, October 20, 1994.

Nonetheless, all the elements in our February 25, 1997 ex parte submission on self-certification do correspond to the elements listed in paragraphs 601-604 of the Joint Board Recommended Decision, including self-certification that the eligible institutions have, as stated in paragraph 601, "done their homework."

Furthermore, EdLiNC recommends that if the FCC does go beyond the eligibility requirements stated in Section (254)(h)(4) and 254(h)(5) and requires self-certification by the applicant of the existence of a technology plan, that the FCC be very explicit in stating that such self-certification does not require the review or approval of the technology plan by the FCC, the fund administrator, or any other entity. Paragraph 604 of the Joint Board Recommendation states that "the Commission instruct the fund administrator to permit schools and libraries to self-certify that they have met the requirements discussed above. Under this approach **no applicant would be forced to wait for approval from a designated entity before arranging deployment**, once it had filed its self-certifications with the entity or the universal service administrator. (Emphasis added.)" No entity should be involved in specifying the nature of educational or library technology plans that have been or are already being developed for other federal, state, or local programs. Such review or approval would constitute an unwarranted intrusion into the administration of libraries and schools.

The Fund Administrator's role is one of facilitator, not as evaluator or judge of local technology plans. As such, it is essential that the fund administrator be a "neutral" entity. Processing bona fide requests through any other party (i.e. state or regional educational or library entities) could pose a conflict of interest as those parties may, in fact, be requesting services on behalf of consortia. Moreover, it is also vital that the Fund Administrator include not just representatives from industry, but also from the education and library field. Specifically, we recommend that the board that governs the Fund Administrator include representation from both the school and library communities that is equal to other entities. These members should be nominated from a broad range of education and library groups, keeping in mind the diversity within libraries, and especially of schools. In addition, it is vital that the staff of the Fund Administrator include individuals knowledgeable about the education and library field.

## **Assistance with Universal Service Applications**

To properly implement Universal Service for schools and libraries, schools and libraries may need start-up assistance with the procedures for applying for universal service discounts. Because this is a new program, there are likely to be questions relating to the application process, discounts and services covered. Those "application questions" can be handled by the federal fund administrator. However, we believe that there are opportunities to "partner" with a variety of federal, state and regional entities as well as private-non-profit entities to assist with dissemination of information about the program. We also believe that the announcement of the new discounts is an opportunity to provide schools and libraries with further resources and contacts to help them craft their technology plans.

Existing entities are already available to assist school districts and libraries with technical questions that may arise when applicants write their technology plans. Moreover, many



applicants will have an existing plan on record already, which may only require perfunctory changes. However, technical assistance will be valuable when applicants review their existing documents and upgrade their existing connectivity devices.

The following entities are optimal for assisting applicants with technical questions. The technology office of the pertinent state agency, regional labs, existing regional and national associations and the Department of Education. These are all likely sources where applicants will seek to answer their questions. We propose that the FCC, in consultation with EdLiNC and other interested education, library and industry partners, facilitate the technical assistance and program information dissemination process by:

1. Publishing an official Universal Service for Schools and Libraries "Kit." This kit would include information about the new rules, a fact sheet of the law, clear instructions on the bona fide request process, sample and blank forms required by FCC, sample model technology plans, and a list of resources and contacts. The resources would include the fund administrator for questions regarding the application as well as the federal, state, regional and non-profit entities described above.
2. Disseminating the kit through various avenues including the Department of Education and EdLiNC member organizations to raise awareness of the program.
3. Ongoing training opportunities for federal, state and regional and non-profit entities that may be asked basic questions about the program.
4. Posting of the Kit on the FCC web site as well as the web sites of the federal, state, regional and non-profit entities.

## **Auditing Procedure**

It is important to recognize that fiscal activity in schools and libraries currently has a high level of public accountability. For example, public school districts produce their annual budgets in an open process that is debated publicly in local communities. Typically, a budget is proposed, public meetings are held to discuss the budget, and the locally elected school board will hold a public vote on the budget. That budget is subject to audit and oversight as is the budget of any government entity. In addition, schools and libraries are already subject and accountable to state and local laws governing procurement and bidding.

It is critical that the auditor be a neutral third party. Therefore, utilizing state or regional education or library entities to perform random audits could pose a conflict of interest as they are likely to be requesting services on behalf of consortia. We recommend that the Fund Administrator randomly audit some amount of applicants to determine payment for services, level of discount, and the existence of a technology plan. Entities found not in compliance would be required to remedy the error. However, as with any of the